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Nevada State Bar No. 85  
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Attorneys for Commerce Associates, LLC

Electronically Filed  
April 25, 2011

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re  
THE RHODES COMPANIES, LLC aka  
"RHODES HOMES", et al.,  
Reorganized Debtors

Case No. BK-09-14814-LBR  
(Jointly Administered)

Chapter 11

**COMMERCE ASSOCIATES'  
OPPOSITION TO REORGANIZED  
DEBTORS' OBJECTION TO  
COMMERCE ASSOCIATES' PROOF  
OF CLAIM NO. 61-1 PURSUANT TO  
BANKRUPTCY RULE 3007 AND  
BANKRUPTCY CODE SECTION  
502(b)**

Affects:

- ☒ All Debtors  
☐ The Following Debtor(s)

On March 31, 2011, the reorganized debtors in these cases (collectively, the "Reorganized Debtors") filed their objection ("Objection") to the proof of claim (the "Commerce Claim") filed by Commerce Associates, LLC ("Commerce") on August 6, 2009. For the reasons hereinafter set forth Commerce Associates opposes the relief sought in the Objection. Capitalized terms used in this response have the meanings given to them in the Objection.

**BACKGROUND**

1. The Commerce Claim asserts a secured claim against Rhodes Design &

1 Development Corporation ("RDD"), Tuscany Acquisitions, LLC, Tuscany Acquisitions II, LLC,  
 2 Tuscany Acquisitions III, LLC and Tuscany Acquisitions IV, LLC (collectively, the "RDD  
 3 Affiliates") and Rhodes Ranch Golf Country Club, LLC ("Rhodes Golf").

4 2. The basis of the Commerce Claim, as noted in the Objection, derived from the  
 5 obligation of RDD and those Tuscany Affiliates exercising options to acquire residential building  
 6 lots ("Lots") from Commerce to pay to Commerce (i) the Profit Participation in the amount of two  
 7 percent (2%) of the Net Profit, as defined in the Purchase Agreement, resulting from the sale of  
 8 completed homes in the Tuscany development and (ii) Lot Premiums upon the purchase by RDD  
 9 or the Tuscany Affiliates of parcels from Commerce pursuant to the purchase agreement.

10 3. Closing documentation in connection with the sale of Lots in Tuscany to RDD and  
 11 Tuscany Affiliates included certain Development Declarations pursuant to which, among other  
 12 things, Commerce was granted a lien on Lots that were sold in order to secure the payment of the  
 13 Lot Premiums and the Profit Participations.

14 4. Reorganized Debtors assert that pursuant to the Subordination Agreement, entered  
 15 into by Commerce on November 21, 2005 in favor of Credit Suisse, "Commerce agreed to  
 16 subordinate all of its then existing and prospective liens to the liens" liens securing RDD's'  
 17 indebtedness under the First Lien Credit Agreement and the Second Lien Credit Agreement  
 18 (collectively, the "Senior Debt").

19 5. Reorganized Debtors assert that the value of the Debtors' property is insufficient to  
 20 satisfy the lien securing the First Lien Credit Agreement (the "First Mortgage").

21 6. Reorganized Debtors argue, therefore, that because Commerce subordinated its  
 22 liens to the Senior Debt and the value of the Debtors' property is not sufficient to pay the First  
 23 Mortgage the Commerce Claim is not secured but unsecured.

24 7. Reorganized Debtors also argue that, essentially, they failed to make a profit and  
 25 thus overpaid the Profit Participation.

## 26 OPPOSITION

27 8. The Purchase Agreement was in fact a purchase and sale agreement with respect  
 28 only to the first closing under the Purchase Agreement, which occurred on September 17, 2004

1 and pursuant to which Commerce conveyed certain Lots to RDD.

2 9. Each acquisition of additional Lots from Commerce was structured as a separate  
3 option ("Option") and required to be exercised by, and Lots conveyed to, special purpose entities  
4 (the "SPEs") created by RDD.

5 10. While Commerce agreed to waive the SPE requirement on a case by case basis,  
6 Commerce conveyed Lots over an extended period of time, from March 31, 2005 through March  
7 16, 2007, not to RDD, but to various Tuscany Affiliates.

8 11. For this reason, the Debtor parties to the Subordination Agreement, entered into on  
9 November 21, 2005 included not only RDD but Tuscany Acquisitions, LLC ("TA") and Tuscany  
10 Acquisitions II, LLC ("TAII"), the only owners, as of November 21, 2005, of Lots.

11 12. The Subordination Agreement referred, on Exhibit B thereto, to specific  
12 "Subordinate Lien Documents" held by RDD, TA and TAI as the "Subordinate Lienholder."

13 13. The latest recorded Subordinate Lien Documents identified in the Subordination  
14 Agreement were the Memorandum of Additional Consideration and Declaration of Development  
15 Covenants and Restrictions recorded on July 13, 2005.

16 14. The Subordination Agreement also identified specific Lots.

17 15. Tuscany Acquisition III, LLC ("TAIII") and Tuscany Acquisitions IV, LLC  
18 ("TAIV") are not parties to the Subordination Agreement.

19 16. Subsequent to November 21, 2005, the date the Subordination Agreement was  
20 recorded, TAI and TAIV acquired the following Lots from Commerce:

- 21 (a) On January 26, 2006, TA III acquired 24 Lots. (See the Grant, Bargain and  
22 Sale Deed attached hereto as Exhibit A.)
- 23 (b) On September 11, 2006, TAIV acquired 81 Lots. (See the Grant, Bargain  
24 and Sale Deed attached hereto as Exhibit B.)
- 25 (c) On November 13, 2006, TAIV acquired 77 Lots. (See the Grant, Bargain  
26 and Sale Deed attached hereto as Exhibit C.)
- 27 (d) On March 16, 2007, TAIV acquired 160 Lots. (See the Grant, Bargain and  
28 Sale Deeds attached hereto as Exhibit D.)

1 17. Accordingly, a total of 342 Lots acquired by TAIH and TAIH are not subject to the  
2 Subordination Agreement and therefore not subject to the argument set forth in the Objection.

3 18. As acknowledged by paragraph 19 of the Objection, Commerce perfected its liens  
4 and accordingly retains a secured claim for the Lot Premiums and Profit Participations owned  
5 with respect to the above 342 Lots.

6 19. The Objection is based solely on calculations of the Commerce Claim, Lot  
7 Premiums and Profit Participations based on the "Debtors' books and records."

8 20. Reorganized Debtors have failed to substantiate that they failed to make a profit on  
9 the sale of homes in Tuscany.

10 21. Without limiting its right to provide opposition to the Objection based on the  
11 papers and documents on file in these cases, Commerce reserves its right to object to the  
12 calculations of amounts which Reorganized Debtors allege are owed or not owed to Commerce  
13 based on a review of the "books and records" upon which the Reorganized Debtors rely, including  
14 specifically (a) the calculations of "Net Profit" upon which the Profit Participation depends and  
15 (b) the allocation of Lot Premiums and Profit Participations to specific Lots.

16 22. To the extent that the Senior Debt was modified in any way that materially  
17 impaired (a "Material Amendment") the liens held by Commerce and subordinated under the  
18 Subordination Agreement (the "Subordinated Commerce Claim"), such Material Amendment  
19 would have resulted in the Subordinated Commerce Claim taking priority over the Material  
20 Amendment. *See Nelson & Whitman, Real Estate Finance Law*, § 9.4 n.18 (5th Ed. Thomson  
21 West)

22 23. Accordingly, to the extent any portion of the Senior Debt includes a Material  
23 Modification, the Objection must fail.

#### 24 CONCLUSION

25 The Purchase Agreement contemplated a complicated series of Options and take downs  
26 over an extended period of time involving hundreds of Lots and every sale of a home in Tuscany.  
27 Reorganized Debtors' Objection must fail as to those Lots not subject to the Subordination  
28 Agreement, requires evidence of no Material Modification and must be based on an accurate and

verifiable accounting of all Lot sales by RDD and its affiliates in Tuscany.

DATED this 25<sup>th</sup> day of April, 2011.

JONES VARGAS

By: //s// Michael E. Buckley  
MICHAEL E. BUCKLEY, ESQ.  
Nevada State Bar No. 85  
CONOR P. FLYNN, ESQ.  
Nevada State Bar No. 11569

Attorneys for Commerce Associates, LLC

JONES VARGAS  
3773 Howard Hughes Parkway  
Third Floor South  
Las Vegas, Nevada 89169  
Tel: (702) 862-3300 Fax: (702) 737-7705

# **EXHIBIT A**

**Receipt/Conformed Copy**

A.P.N. # 160-32-310-002  
160-32-312-001 THRU 024  
RECORDING REQUESTED BY, AND  
WHEN RECORDED, RETURN TO:

Chicago Title Agency of Nevada, Inc.  
2300 W. Sahara Ave., #140  
Las Vegas, NV 89102  
Attn: Clarice Ronzone  
(Escrow # 06025003)

R.P.T.T.: \$ 6,456.<sup>60</sup>

Mail Tax Bills To:  
Tuscany Acquisitions III, LLC  
c/o Rhodes Homes  
4730 South Fort Apache Road  
Suite 300  
Las Vegas, Nevada 89147

Requestor:

CHICAGO TITLE

01/26/2006 14:02:50 T20060016280

Book/Instr: 20060126-0003290

Deed Page Count: 4

Fees: \$16.00 N/C Fee: \$0.00

RPTT: \$6,456.60

Frances Deane  
Clark County Recorder

---

(Space above line for Recorder's use only)

**GRANT BARGAIN AND SALE DEED**

COMMERCE ASSOCIATES, LLC, a Nevada limited liability company, as "Grantor," does hereby Grant, Bargain, Sell and Convey to TUSCANY ACQUISITIONS III, LLC, a Nevada limited liability company as "Grantee," the real property in the County of Clark, State of Nevada (hereinafter referred to as the "Land") described on Attachment "A" attached hereto and incorporated herein by this reference.

RESERVING UNTO GRANTOR, its successors and assigns, together with the right to grant and transfer all or a portion of the same, as follows:

A. Non-exclusive easements in gross on, over, under or across the Land for the purposes of installation, emplacement and maintenance of electric, telephone, cable television, water, gas, sanitary sewer lines, drainage facilities or any other utilities, together with the right to enter upon the Land (without unreasonably interfering with Grantee's reasonable use and enjoyment thereof) in order to service, maintain, repair, reconstruct, relocate or replace any of such lines or facilities, provided, Grantor shall repair any damage caused by its activities upon the Land pursuant to such easement. Grantor's use of the Land subject to the easement reserved by Grantor under this Section A: (1) shall be limited to the reasonable vicinity of the applicable lines or facilities; (2) shall terminate as to each residential lot shown upon a recorded final subdivision map, upon the recordation of such final subdivision map without any necessity that any additional document be executed or recorded; and (3) following the construction of any

buildings on a commercially zoned lot shall exclude any area occupied by such building ("Building Areas").

B. Non-exclusive easements in gross on, over, under or across the Land for the purposes of installation, emplacement and maintenance of those improvements described as "Seller's Work" in the applicable Declaration of Development Covenants and Restrictions executed by Grantee and recorded of even date herewith (the "Development Declaration") against any portion of the Land. Grantor's use of the Land subject to the easement reserved by Grantor under this Section B shall be limited to reasonable vicinity of the applicable Seller's Work of Improvement, shall exclude any Building Areas and shall automatically terminate upon completion by Grantor of all such improvements and dedication thereof to appropriate governmental authorities or public utilities.

SUBJECT TO:

1. General and special taxes and assessments for the current fiscal tax year and any and all unpaid bonds and/or assessments.

2. All covenants, conditions, restrictions, reservations, rights, right-of-way and easements recorded against the Land prior to or concurrently with this Deed, and all other matters of record or apparent.

IN WITNESS WHEREOF, Grantor has caused its name to be affixed hereto and this instrument to be executed by its managing member thereunto duly authorized.

Dated as of 1-24-, 2006

COMMERCE ASSOCIATES, LLC, a Nevada  
limited liability company

By: George Reinhardt

Name: GEORGE REINHARDT

Title: MANAGER

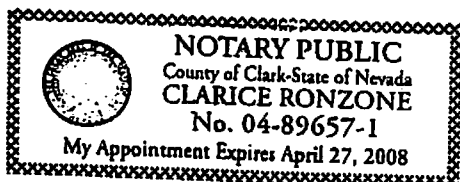
STATE OF NEVADA

COUNTY OF CLARK

This instrument was acknowledged before me on this 24<sup>th</sup> day of JAN 2006 by George Reinhardt, as manager of COMMERCE ASSOCIATES, LLC.

Clarice Ronzone  
(Signature of notarial officer)

(My commission expires: 4-27-08)





**ATTACHMENT A  
TO DEED**

**LEGAL DESCRIPTION OF LAND**

**Parcel 1:**

Lots One (1) through Twenty Four (24) in Block One (1) of Tuscany Parcel 23 (formally known as Palm City - Phase 1 Lot 23) as shown by map thereof on file in book 125 of Plats, Page 34, in the Office of the County Recorder of Clark County, Nevada.

**Parcel 2:**

Non exclusive easement and other rights set forth and established by that certain "Declaration of Easements, Covenants, and Restrictions" recorded February 23, 2004 in Book 20040223 as Document No. 01927 and re-recorded July 14, 2004 in Book 20040714 as Document No. 01407, Official Records, Clark County, Nevada.

# **EXHIBIT B**

A.P.N. # 160-32-713-001-THRU 081

RECORDING REQUESTED BY, AND  
WHEN RECORDED, RETURN TO:

Chicago Title Agency of Nevada, Inc.  
2300 W. Sahara Ave., #140  
Las Vegas, NV 89102  
Attn: Clarice Ronzone  
(Escrow # 06025170 )

R.P.T.T.: \$ 41,159<sup>55</sup>

Mail Tax Bills To:  
Tuscany Acquisitions IV, LLC  
c/o Rhodes Homes  
4730 South Fort Apache Road  
Suite 300  
Las Vegas, Nevada 89147

Requestor:

CHICAGO TITLE

09/11/2006 13:24:42 T20060157656

Book/Instr: 20060911-0002391

Deed Page Count: 5

Fees: \$17.00 N/C Fee: \$0.00

RPTT: \$41,159.55

Charles D. Harvey  
Clark County Recorder

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(Space above line for Recorder's use only)

**GRANT BARGAIN AND SALE DEED**

COMMERCE ASSOCIATES, LLC, a Nevada limited liability company, as "Grantor," does hereby Grant, Bargain, Sell and Convey to TUSCANY ACQUISITIONS IV, LLC, a Nevada limited liability company as "Grantee," the real property in the County of Clark, State of Nevada (hereinafter referred to as the "Land") described on Attachment "A" attached hereto and incorporated herein by this reference.

RESERVING UNTO GRANTOR, its successors and assigns, together with the right to grant and transfer all or a portion of the same, as follows:

A. Non-exclusive easements in gross on, over, under or across the Land for the purposes of installation, emplacement and maintenance of electric, telephone, cable television, water, gas, sanitary sewer lines, drainage facilities or any other utilities, together with the right to enter upon the Land (without unreasonably interfering with Grantee's reasonable use and enjoyment thereof) in order to service, maintain, repair, reconstruct, relocate or replace any of such lines or facilities, provided, Grantor shall repair any damage caused by its activities upon the Land pursuant to such easement. Grantor's use of the Land subject to the easement reserved by Grantor under this Section A: (1) shall be limited to the reasonable vicinity of the applicable lines or facilities; (2) shall terminate as to each residential lot shown upon a recorded final subdivision map, upon the recordation of such final subdivision map without any necessity that any additional document be executed or recorded; and (3) following the construction of any

buildings on a commercially zoned lot shall exclude any area occupied by such building ("Building Areas").

B. Non-exclusive easements in gross on, over, under or across the Land for the purposes of installation, emplacement and maintenance of those improvements described as "Seller's Work" in the applicable Declaration of Development Covenants and Restrictions executed by Grantee and recorded of even date herewith (the "Development Declaration") against any portion of the Land. Grantor's use of the Land subject to the easement reserved by Grantor under this Section B shall be limited to reasonable vicinity of the applicable Seller's Work of Improvement, shall exclude any Building Areas and shall automatically terminate upon completion by Grantor of all such improvements and dedication thereof to appropriate governmental authorities or public utilities.

SUBJECT TO:

1. General and special taxes and assessments for the current fiscal tax year and any and all unpaid bonds and/or assessments.

2. All covenants, conditions, restrictions, reservations, rights, right-of-way and easements recorded against the Land prior to or concurrently with this Deed, and all other matters of record or apparent.

IN WITNESS WHEREOF, Grantor has caused its name to be affixed hereto and this instrument to be executed by its managing member thereunto duly authorized.

Dated as of 8 Sept, 2006

COMMERCE ASSOCIATES, LLC, a Nevada  
limited liability company

By: George Reinhardt

Name: GEORGE REINHARDT

Title: MANAGER

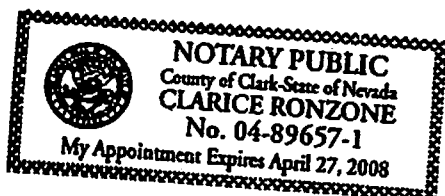
STATE OF NEVADA

COUNTY OF CLARK

This instrument was acknowledged before me on this 8th day of Sept 2006 by George Reinhardt, as manager of COMMERCE ASSOCIATES, LLC.

Clarice Ronzone  
(Signature of notarial officer)

(My commission expires: 4-27-08)



**ATTACHMENT A  
TO DEED**

**LEGAL DESCRIPTION OF LAND**

**Exhibit A**

**PARCEL 1:**

**Lots One (1) through Thirty-One (31), inclusive, in Block One (1); Lots Thirty-Two (32) through Forty-Three (43), inclusive, in Block Two (2); Lots Forty-Four (44) through Sixty-Four (64), inclusive, in Block Three (3); Lots Sixty Five (65) through Eighty-One (81), inclusive, in Block Four (4) of TUSCANY PARCEL 16 (formerly known as PALM CITY-PHASE 1 Lot 16) as shown by map thereof on file in Book 128 of Plats, Page 100 in the Office of the County Recorder of Clark County, Nevada.**

**PARCEL 2:**

**Non-exclusive easement and other rights as set forth and established by that certain "Declaration of Easements, Covenants, and Restrictions" recorded February 23, 2004 in Book 20040223 as Document No. 01927 as re-recorded July 14, 2004 in Book 20040714 as Document No. 01407, Official Records, Clark County, Nevada.**

**PARCEL 3:**

**A non-exclusive right and easement of use and access in and to Common Elements and Private Streets subject to and as set forth in the "Master Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Tuscany Residential Community" recorded July 28, 2005 in Book 20050728 as Document No. 04296, Official Records.**

# **EXHIBIT C**

A.P.N. # 160-32-612-001

R.P.T.T.: \$17,765.85

RECORDING REQUESTED BY, AND  
WHEN RECORDED, RETURN TO:

Tuscany Acquisitions IV, LLC  
c/o Rhodes Homes  
4730 South Fort Apache Road  
Suite 300  
Las Vegas, Nevada 89147

Mail Tax Bills To:  
Tuscany Acquisitions IV, LLC  
c/o Rhodes Homes  
4730 South Fort Apache Road  
Suite 300  
Las Vegas, Nevada 89147  
Escrow No. 6002426-SC

Requestor:

CHICAGO TITLE

11/13/2006 09:49:41 T20060200177

Book/Instr: 20061113-0001850

Deed Page Count: 4

Fees: \$16.00 N/C Fee: \$0.00

RPTT: \$17,765.85

Charles Harvey  
Clark County Recorder

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(Space above line for Recorder's use only)

**GRANT BARGAIN AND SALE DEED**

COMMERCE ASSOCIATES, LLC, a Nevada limited liability company, as "Grantor," does hereby Grant, Bargain, Sell and Convey to TUSCANY ACQUISITIONS IV, LLC, a Nevada limited-liability company as "Grantee," the real property in the County of Clark, State of Nevada (hereinafter referred to as the "Land") described on Attachment "A" attached hereto and incorporated herein by this reference.

RESERVING UNTO GRANTOR, its successors and assigns, together with the right to grant and transfer all or a portion of the same, as follows:

A. Non-exclusive easements in gross on, over, under or across the Land for the purposes of installation, emplacement and maintenance of electric, telephone, cable television, water, gas, sanitary sewer lines, drainage facilities or any other utilities, together with the right to enter upon the Land (without unreasonably interfering with Grantee's reasonable use and enjoyment thereof) in order to service, maintain, repair, reconstruct, relocate or replace any of such lines or facilities, provided, Grantor shall repair any damage caused by its activities upon the Land pursuant to such easement. Grantor's use of the Land subject to the easement reserved by Grantor under this Section A: (1) shall be limited to the reasonable vicinity of the applicable lines or facilities; (2) shall terminate as to each residential lot shown upon a recorded final subdivision map, upon the recordation of such final subdivision map without any necessity that any additional document be executed or recorded; and (3) following the construction of any



buildings on a commercially zoned lot shall exclude any area occupied by such building ("Building Areas").

B. Non-exclusive easements in gross on, over, under or across the Land for the purposes of installation, emplacement and maintenance of those improvements described as "Seller's Work" in the applicable Declaration of Development Covenants and Restrictions executed by Grantee and recorded of even date herewith (the "Development Declaration") against any portion of the Land. Grantor's use of the Land subject to the easement reserved by Grantor under this Section B shall be limited to reasonable vicinity of the applicable Seller's Work of Improvement, shall exclude any Building Areas and shall automatically terminate upon completion by Grantor of all such improvements and dedication thereof to appropriate governmental authorities or public utilities.

SUBJECT TO:

1. General and special taxes and assessments for the current fiscal tax year and any and all unpaid bonds and/or assessments.

2. All covenants, conditions, restrictions, reservations, rights, right-of-way and easements recorded against the Land prior to or concurrently with this Deed, and all other matters of record or apparent.

IN WITNESS WHEREOF, Grantor has caused its name to be affixed hereto and this instrument to be executed by its managing member thereunto duly authorized.

Dated as of \_\_\_\_\_, 2006

COMMERCE ASSOCIATES, LLC, a Nevada  
limited-liability company

By: \_\_\_\_\_

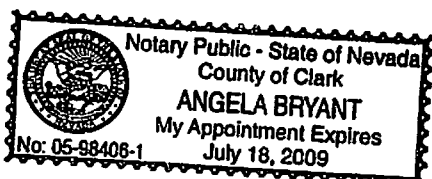
Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF NEVADA

COUNTY OF CLARK

This instrument was acknowledged before me on this 9th day of Nov 2006 by George Reinhardt, as Manager of COMMERCE ASSOCIATES, LLC.



Angela Bryant  
(Signature of notarial officer)

(My commission expires: 7-18-09)

**ATTACHMENT A  
TO DEED**

**LEGAL DESCRIPTION OF LAND**

Lot Ten (10) of FINAL MAP OF TUSCANY – PHASE 2 (formerly known as Palm City – Phase 2) as shown by map thereof on file in Book 121 of Plats, Page 59, in the Office of the County Recorder of Clark County, Nevada.

# **EXHIBIT D**

A.P.N. # 160-32-711-001  
R.P.T.T. : \$ 23,806.80

RECORDING REQUESTED BY, AND  
WHEN RECORDED, RETURN TO:  
Tuscany Acquisitions IV, LLC  
c/o Rhodes Homes  
4730 South Fort Apache Road  
Suite 300  
Las Vegas, Nevada 89147

Mail Tax Bills To:  
Tuscany Acquisitions IV, LLC  
c/o Rhodes Homes  
4730 South Fort Apache Road  
Suite 300  
Las Vegas, Nevada 89147

Escrow #: 07000117-018-SC

Requestor:  
CHICAGO TITLE  
03/16/2007 14:02:17 T20070047005  
Book/Instr: 20070316-0003763  
Deed Page Count: 4  
Fees: \$16.00 N/C Fee: \$0.00  
RPTT: \$23,806.80

Debbie Conway  
Clark County Recorder

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(Space above line for Recorder's use only)

**GRANT BARGAIN AND SALE DEED**

COMMERCE ASSOCIATES, LLC, a Nevada limited liability company, as "Grantor," does hereby Grant, Bargain, Sell and Convey to TUSCANY ACQUISITIONS IV, LLC, a Nevada limited-liability company as "Grantee," the real property in the County of Clark, State of Nevada (hereinafter referred to as the "Land") described on Attachment "A" attached hereto and incorporated herein by this reference.

RESERVING UNTO GRANTOR, its successors and assigns, together with the right to grant and transfer all or a portion of the same, as follows:

A. Non-exclusive easements in gross on, over, under or across the Land for the purposes of installation, emplacement and maintenance of electric, telephone, cable television, water, gas, sanitary sewer lines, drainage facilities or any other utilities, together with the right to enter upon the Land (without unreasonably interfering with Grantee's reasonable use and enjoyment thereof) in order to service, maintain, repair, reconstruct, relocate or replace any of such lines or facilities, provided, Grantor shall repair any damage caused by its activities upon the Land pursuant to such easement. Grantor's use of the Land subject to the easement reserved by Grantor under this Section A: (1) shall be limited to the reasonable vicinity of the applicable lines or facilities; (2) shall terminate as to each residential lot shown upon a recorded final subdivision map, upon the recordation of such final subdivision map without any necessity that any additional document be executed or recorded; and (3) following the construction of any buildings on a commercially zoned lot shall exclude any area occupied by such building ("Building Areas").

B. Non-exclusive easements in gross on, over, under or across the Land for the purposes of installation, emplacement and maintenance of those improvements described as "Seller's Work" in the applicable Declaration of Development Covenants and Restrictions executed by Grantee and recorded of even date herewith (the "Development Declaration") against any portion of the Land. Grantor's use of the Land subject to the easement reserved by Grantor under this Section B shall be limited to reasonable vicinity of the applicable Seller's Work of Improvement, shall exclude any Building Areas and shall automatically terminate upon completion by Grantor of all such improvements and dedication thereof to appropriate governmental authorities or public utilities.

SUBJECT TO:

1. General and special taxes and assessments for the current fiscal tax year and any and all unpaid bonds and/or assessments.
2. All covenants, conditions, restrictions, reservations, rights, right-of-way and easements recorded against the Land prior to or concurrently with this Deed, and all other matters of record or apparent.

IN WITNESS WHEREOF, Grantor has caused its name to be affixed hereto and this instrument to be executed by its managing member thereunto duly authorized.

Dated as of MARCH 14, 2007

COMMERCE ASSOCIATES, LLC, a  
Nevada limited liability company

By: George E. Reinhardt

Name: George E. Reinhardt

Title: Manager

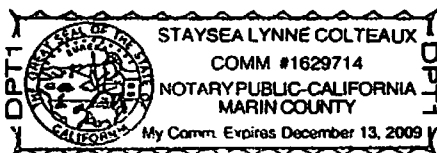
STATE OF NEVADA

COUNTY OF CLARK

This instrument was acknowledged before me on this 14<sup>th</sup> day of MARCH, 2007 by George E. Reinhardt, as Manager of COMMERCE ASSOCIATES, LLC.

(Signature of notarial officer)

(My commission expires: 12/13/09)



**ATTACHMENT A  
TO DEED**

**LEGAL DESCRIPTION OF LAND**

Lot Eleven (11) of Final Map of Tuscany – Phase 2, formerly known as Palm City – Phase 2 as shown by map thereof on file in Book 121 of Plats, Page 59, in the Office of the County Recorder of Clark County, Nevada.

**Receipt/Conformed Copy**

A.P.N. # 160-32-610-001  
R.P.T.T. : \$30,727.50

RECORDING REQUESTED BY, AND  
WHEN RECORDED, RETURN TO:  
Tuscany Acquisitions IV, LLC  
c/o Rhodes Homes  
4730 South Fort Apache Road  
Suite 300  
Las Vegas, Nevada 89147

Requestor:  
CHICAGO TITLE  
03/16/2007 14:02:17 T20070047005  
Book/Instr: 20070316-0003766  
Deed Page Count: 4  
Fees: \$16.00 N/C Fee: \$0.00  
RPTT: \$30,727.50

Debbie Conway  
Clark County Recorder

Mail Tax Bills To:  
Tuscany Acquisitions IV, LLC  
c/o Rhodes Homes  
4730 South Fort Apache Road  
Suite 300  
Las Vegas, Nevada 89147

Escrow #: 07000118-018-SC

---

(Space above line for Recorder's use only)

**GRANT BARGAIN AND SALE DEED**

COMMERCE ASSOCIATES, LLC, a Nevada limited liability company, as "Grantor," does hereby Grant, Bargain, Sell and Convey to TUSCANY ACQUISITIONS IV, LLC, a Nevada limited-liability company as "Grantee," the real property in the County of Clark, State of Nevada (hereinafter referred to as the "Land") described on Attachment "A" attached hereto and incorporated herein by this reference.

RESERVING UNTO GRANTOR, its successors and assigns, together with the right to grant and transfer all or a portion of the same, as follows:

A. Non-exclusive easements in gross on, over, under or across the Land for the purposes of installation, emplacement and maintenance of electric, telephone, cable television, water, gas, sanitary sewer lines, drainage facilities or any other utilities, together with the right to enter upon the Land (without unreasonably interfering with Grantee's reasonable use and enjoyment thereof) in order to service, maintain, repair, reconstruct, relocate or replace any of such lines or facilities, provided, Grantor shall repair any damage caused by its activities upon the Land pursuant to such easement. Grantor's use of the Land subject to the easement reserved by Grantor under this Section A: (1) shall be limited to the reasonable vicinity of the applicable lines or facilities; (2) shall terminate as to each residential lot shown upon a recorded final subdivision map, upon the recordation of such final subdivision map without any necessity that any additional document be executed or recorded; and (3) following the construction of any buildings on a commercially zoned lot shall exclude any area occupied by such building ("Building Areas").

B. Non-exclusive easements in gross on, over, under or across the Land for the purposes of installation, emplacement and maintenance of those improvements described as "Seller's Work" in the applicable Declaration of Development Covenants and Restrictions executed by Grantee and recorded of even date herewith (the "Development Declaration") against any portion of the Land. Grantor's use of the Land subject to the easement reserved by Grantor under this Section B shall be limited to reasonable vicinity of the applicable Seller's Work of Improvement, shall exclude any Building Areas and shall automatically terminate upon completion by Grantor of all such improvements and dedication thereof to appropriate governmental authorities or public utilities.

SUBJECT TO:

1. General and special taxes and assessments for the current fiscal tax year and any and all unpaid bonds and/or assessments.

2. All covenants, conditions, restrictions, reservations, rights, right-of-way and easements recorded against the Land prior to or concurrently with this Deed, and all other matters of record or apparent.

IN WITNESS WHEREOF, Grantor has caused its name to be affixed hereto and this instrument to be executed by its managing member thereunto duly authorized.

Dated as of MARCH 14, 2007

COMMERCE ASSOCIATES, LLC, a  
Nevada limited liability company

By: George E. Reinhardt

Name: George E. Reinhardt

Title: Manager

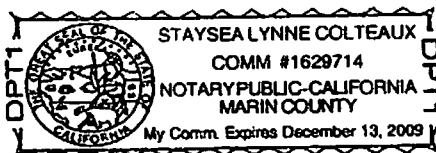
STATE OF NEVADA

COUNTY OF CLARK

This instrument was acknowledged before me on this 14<sup>th</sup> day of MARCH, 2007 by George E. Reinhardt, as Manager of COMMERCE ASSOCIATES, LLC.

(Signature of notarial officer)

(My commission expires: 12/13/09)





**ATTACHMENT A  
TO DEED**

**LEGAL DESCRIPTION OF LAND**

**Lot Fourteen (14) of Final Map of Palm City – Phase 1 as shown by map thereof on file in Book 94 of Plats, Page 19, in the Office of the County Recorder of Clark County, Nevada.**